RETIRED OFFICERS ASSOCIATION

QUARTERLY
BULLETIN
FOR MEMBERS

VOL. 6 THIRD QUARTER, 1950 No. 3

THE LINCOLN MEMORIAL, WASHINGTON

RETIRED OFFICERS ASSOCIATION BULLETIN

Published Quarterly By The

RETIRED OFFICERS ASSOCIATION

(INCORPORATED)

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Entered as second class matter, May 2, 1945, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

Subscription price, 50c per year

SELF-CONFINDENCE ESSENTIAL TO WIN

"Doubt what you will, but never yourself," is an oft quoted line from the writings of the American author Netsell Boves, who preached the gospel of self-faith.

Those words are more timely now when world conditions stir feelings of unrest and create fear in the hearts of many.

Self-confidence says that writer, when he amplified the above quotation, "means that self-confidence, in its true sense, is based on confidence and trust in a Power and a Potentiality beyond one's own."

The self-confidence that brings its ultimate and sure reward is in keeping with the higher ideals of which Lincoln spoke when he said, "Let us have faith that right makes might; and in that faith let us, to the end, dare to do our duty as we understand it."

It is that same kind of confidence which St. Paul had in mind in those trying days when he was fighting a hard and lonely battle to urge men to accept the belief that, "Faith is the substance of things hoped for, the evidence of things not seen."

Thus, true faith and confidence become in themselves the assurance of victories yet to be won.

How necessary it is, therefore, that we develop to the highest order the type of self-confidence that sustains men and brings them through dangers unscathed.

An example of how many are groping for self-confidence today is told about a young Communist who sought relief of his problem from one of our Chaplains. He was disturbed by the conflict of his loyalty to his party and his loyalty to his early Christian training. After a lengthy discussion the Chaplain asked, "What do your Communist friends think about the fact that you are a Christian"? Without a moment's hestitation, he replied, "I don't suppose they ever suspect it."

When the world begins to realize that we really possess an abiding faith; that we are different from un-believing people; then we assert a power that none but a fool would dare to dispute.

Let every man value the gift of self-confidence—founded on belief; supported by trust—so that it will benefit not only him alone, but his fellowmen as well.

KEEPING OUR EYES OPEN

Many years ago a stranger passing some mines in Pennsylvania asked a little boy why the field was so full of mules. "Those mules are workers in the mines during the week," replied the boy, "and are brought into the sunlight on Sunday to keep them from going blind."

The moral of that story might well be applied to all human beings, particularly to those in retired status, for we can so easily lose our way when out of touch with active affairs.

For those retired, however, it is our Association which brings them into light regarding important questions bearing upon their interests and, as we all know, there is no end of those questions.

As a result of exhaustive study, analysis and research provided by a capable staff, based upon sound and constructive policies established by our Board of Directors, the Association is constantly alert toward safeguarding present benefits, rights and privileges of retired officers; promoting their future rights; and ever seeking opportunities to make more secure the rights and benefits accuring to the widows and dependents of retired personnel.

Our aim in such matters is to convince not by volume of argument but rather by the clarity, justice and righteousness of our cause. An argument or brief hastily prepared and, consequently, lacking the facts, is not as effective as one which is the result of study, analysis and research.

Were retired officers individually to attempt to seek solution of their problems, they would all too soon come to the bitter realization that the views of the individual are not likely to produce the result which can be obtained through concerted action, however meritorious might be their cause.

We can, therefore, understand the true value of this Association to all retired officers. The phrase "In union there is strength" is one which has new meaning and a greater significance in almost every walk of life as we know it today.

United strength may not necessarily be used to obtain additional benefits, but it might be essential to protect some of the things now enjoyed. As a matter of fact, it has already proved essential in the protection of those benefits now enjoyed.

If we stand together upon a clear statement of the facts, in a calm and resolute manner, there is greater likelihood that we will weather the tempest without disaster. Standing alone—without an authorized spokesman to present our side of the picture—we might be damaged to the extent of near-tragedy.

Retired officers by joining together can, accordingly, quite properly look to this Association and its officials for the purpose of explaining their needs and legitimate desires to the executive and legislative branches of the Government. They can, moreover, look to this Association as their means, collectively, to justify or oppose legislation when it is in the formative stage of committee hearings. That protection alone merits the full support of an effective organization which can and will do more for retired officers than they could ever hope to accomplish by themselves.

As retired officers need this Association, we need the full measure of support given by the greatest majority of those on the entire retired lists to give us the benefit of their ideas and to lend dignity and prestige to the strength of our arguments in their behalf.

In order to carry out its mission the Association needs the financial assistance derived from the payment of small membership dues which is necessary to maintain a staff which can adequately and effectively provide for the furtherance of those measures vital to retired officers and those dependent upon them.

CONSTITUTIONAL LIBERTIES ENDANGERED BY WORLD GOVERNMENT PROPOSALS

"He who sacrifices his freedom for security, loses both."
—Benjamin Franklin

Legislatures of 22 States have signified their approval of "World Government"—which has for its purpose—to develop the United Nations into a "World Federation." 32 States—only 10 more—can force Congress to call a convention with a view to amending the Constitution. Such an amendment, if ratified by 36 States—only 14 more than those now approving—would not only change our Constitution, but our entire way of life.

House Concurrent Resolution No. 64, reading: *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that it should be a fundamental objective of the foreign policy of the United States to support and strengthen the United Nations and to seek its development into a world federation open to all nations with defined and limited powers adequate to preserve peace and prevent aggression through the enactment, interpretation and enforcement of world law," was introduced 7 June 1949, and hearings thereon were held 12-13 October 1949. The testimony given is contained in a publication of 292 pages. That Resolution was sponsored by a total of 101 Representatives from 33 States.

Senate Concurrent Resolution No. 56, similar in import to House Resolution No. 64, was introduced 26 July 1949. It was sponsored by 19 Senators from 17 States. Hearings on the Senate Resolution were begun, but not yet completed.

Also most alarming is the existence of a Committee composed of 11 professors who have drafted and promulgated a "World Constitution." Six of those drafters are from the University of Chicago, while the remainder are one each from Harvard, Cornell, Stanford, St. Johns and Toronto. It was their draft of a "World Constitution" which was introduced at the Senate hearings, and may threaten the Constitution of the United States.

Proponents of "World Government" claim it would eliminate chiefly the threat of future war, yet they fail to show that wars cannot be prevented until the causes of war are removed. Certainly any program that could end major wars appears meritorious, but let us not be misled by plausible reasoning and alluring arguments. We must face political realities and consider what requirements "World Government" would impose upon us—the leading free nation in the world today. They would: (1) abolish our Federal Constitutional liberties; (2) destroy our national independence and sovereignty; and (3) practically enslave over two and a quarter billion people comprising the World population.

Moreover, a "World Constitution" would supercede our Federal Constitution, eradicate the tripartite division of our Government, take away our Constitutional system of checks and balances, obliterate the office of President of the United States, and erase our Supreme Court.

Were it not for the temporary success of Mein Kampf, and the present Socialistic plight of England, Russia and China, the beguiling scheme outlined in the "World Constitution," and which would subvert our Federal Constitution, would not be worth serious consideration.

But past events require that we be alert. The "One Worlders" have already been successful in influencing some of our State legislatures and numerous members of the Congress. There is no way of determining how many more might succumb to their subtle efforts, and it is timely, therefore, to point out that this so-called "World Government" plan would further work havoc with our Senate and House of Representatives, and doom our Bill of Rights.

A few more of its serious consequences would admit of arbitrary searches and seizures, unfair trials, excessive penalties, ex post facto laws, the curtailment of free speech, and liberty of the press.

Just what would we do if called upon to answer for a capital or infamous crime without a presentment or indictment of a Grand Jury? Or be twice put in jeopardy for the same offense? Or be compelled to be witness against ourselves? Or be deprived of property without due process of law; or have it taken for public use without just compensation?

Under such a sad state of affairs, one might possibly be arrested and even denied a speedy public trial by an impartial jury; or even kept in ignorance of the nature and cause of the accusation. Perhaps the accused would not be confronted with witnesses against him, nor would he have means of obtaining witnesses in his favor. Excessive fines might be ruinous; bail prohibitive. Cruel punishments could be inflicted; even the privilege of the writ of Habeas Corpus might be suppressed.

Through the liberty exercised properly by our free press, we have learned recently how those things *are* now being done in other countries. Thus they are not merely remote probabilities; they are cold facts which would confront us, if we chose that system of justice—or, rather the lack of it. Under "World Government" mind you, there would be no Federal Constitution, as we know it, interpreted by an independent judiciary. The individual freedoms upon which our country was founded would be lost. Gone also would be the freedom of thought which their current news inspires.

The power to lay and collect taxes would pass from our Federal Congress to the "World Government." Understandably, that would admit of unlimited taxation. The power to tax involves the power to destroy. The power certainly should not be vested in those who may wish to exploit our resources.

Socialist Planned Economy as suggested by the "World Government" constitution would wreck our present economic system. In that connection, they would have the power to administer a World Bank, establish Fiscal Agencies, regulate the value of money, issue currency and control credit. In short, property values in the United States would be imperiled, and the economic welfare of our people, especially those dependent on retired pay and annuities, impaired.

Boundary lines, which are now within the jurisdiction of the Supreme Court to fix, would come within the powers of the "World Government." Possibly all existing State boundaries in our country would be eliminated or re-oriented. In that event, the present distinction between State and National Government would be obliterated. Pride of State would be lost; for that matter of what country would our people be citizens?

No religious guarantee is contained in the "World Constitution." Obviously, that omission would not bother the Communists, but what would become of our Christian religion in the absence of our Constitutional guarantee of religious freedom? Religious effort might be abolished. What, then, would become of our moral standards, and equally important, our spiritual values? Experience has proved that when people are once deprived of the freedom of religion, the loss of other freedoms follows fast. For when you destroy faith, you destroy the roots of human decency. Search for confirmation of that principle need extend no further than an examination of the effects atheism has wrought behind the Iron Curtain in Russia.

What also would become of "We, the people of the United States"? The "World Constitution" dictates that we become the "ward and pupil" of the "World Commonwealth." Are we, the self-sufficient people of these United States to be reduced to the condition of needing a guardian?

An objective of "World Government" is to fuse into a whole the many diverse groups of mankind, regardless of their peculiar customs, characters and religious or racial differences. Within three years after the foundation of "World Government," it would prescribe one language to be spoken, one unit of currency to be used, a single system of weights and measures, and a universal calendar. That visionary document is discreetly silent as to how a satisfactory universal language would be evolved, how it would be taught to the various language groups, or whether it would be accepted.

A further proposition is that "World Government" would supervise and approve all laws concerning the movements of people, both as regards emigration and immigration, including the issuance of passports. That admits of a probability and even the possibility, if you please, of our eventually having an Oriental population in lieu of one predominently Aryan.

"World Government" would take over the regulation of Commerce which the Congress now supervises. Thus it is not difficult to figure out what might become of the agencies of the Federal Government charged with the regulation of Commerce—foreign and domestic. The question should be asked: how can a super-Government expect to succeed in such matters when our present Federal Government finds its own re-organization so difficult to attain?

With respect to representation under the plan for "World Government," the two and a quarter billion World population would be entitled to 2,250 delegates in its "Federal Convention." Our representation would be about 150 delegates. Present party conventions would, of course, be a thing of the past. A "World Government" convention would be divided into nine electoral colleges, with each nominating three candidates. From that total of 27, three men are selected, and the one receiving a two-thirds majority is elected President.

The nine electoral colleges select 27 men. Nine lists are presented to the convention by the nine colleges; thus making the membership of the "World Council" of 99 men. In those men would be vested the power to enact legislation for the "World Republic." The President and the "World Council" would then proceed to establish: (1) a House of Nationalities; (2) a Senate; and (3) an Institute of Science, Education and Culture.

The "World Constitution" places supreme judicial power in a Grand Tribunal composed of 60 justices; the Chief Justice being the "World" President. Those justices are appointive by the President for a tenure of 15 years. Five justices would be assigned to each of the 5 benches.

What they designate as the Supreme Court consists of seven justices; one selected from each of the five benches, with the Chief Justice ("World" President) as Chairman, and the Chairman of the "World Council" as Vice Chairman. There are not constitutional provisions that the justices be learned in law, no limitations as to age, or that they are expected to follow precedent so that the law shall have any degree of certainty.

A "Tribune of the People" is provided to represent the minorities. He is selected by a secret vote in their "Federal Convention," but is not a member of the Council. His official tenure is for three years. Allegedly his main function is to defend the natural and civil rights of over two billion individuals. Naturally, there could easily arise linguistic difficulties, and there would certainly be varied interpretations of right among the many diverse groups.

The "World Constitution" provides for a "Chamber of Guardians," with the President as Chairman, and six Councilmen elected for three-year terms. That Chamber would control all appropriations for the budget of Peace and Defense. The President, being "Protector of the Peace," is deemed the proper leader of the Chamber. The armed forces of the "World Republic" would be under its direction. It would have a General Staff and an Institute of Technology, which would determine the technological numerical level to be set as limits to the domestic Militias of the single communities or states, or the unions thereof. Armed forces and the manufacture of armaments beyond the levels thus determined would be reserved to the "World Government." Officers holding professional or active rank in the armed forces of the "Federal Republic," or in the domestic Militia of any competent unit, would not be eligible as Guardians.

"World Government" jurisdiction would extend to the judgment and settlement of any conflicts among the competent units, with a prohibition of recourse to violence. Its authority would extend even further to the organization and stationing of the "Federal Government" armed forces, as well as to the limitation and control of weapons and of domestic Militias in the component units.

It is at this point the claim is made that war can be outlawed and that peace must be universally enacted and enforced. Ironically, that is to say that they shall have peace, even if they must make war to secure it—a self-contradictory policy that runs counter to the lessons of history.

Thus, to "World Government" would be given the power to prohibit the possession by any nation of armament and forces beyond an approved level, arbitrarily deemed to fit requirements. Just what would become of the existing military establishments of this or other countries, is not set forth in their guiding manual. That same "World Government" would likewise be empowered to provide armed forces, as may be deemed necessary, for "World" law enforcement.

Should our Government ever become involved in "World Government," our present Federal Constitution would, as stated previously, be superseded, and our control over our own armed forces would be lost.

Consequently, the power of our Federal Government to provide for the common defense of the United States, to support, increase or reduce the strength of our armed forces, and to conscript, would terminate.

Our Congress would have no authority to call forth the Military to execute or enforce our laws, or to suppress insurrections or repel invasions. All National Defense statutes now in force would no longer be operative. No difference would continue to exist between the Regular Army and the Militia, as the forces of "World Government" would supersede both. The Congress of the United States, if one existed in those circumstances, would be powerless to provide for the organizing, arming and disciplining of the Militia, or even governing that portion employed in the service of our country.

No longer would we have our own President, with his status as Commander-in-Chief of our armed forces, whose authority it now is to direct the over-all movements and procedures of those forces.

Doubtlessly, the present Constitutional right of our people to maintain and bear arms, within limits, would be infringed, and the consent of home-owners would have no consideration when the "World Government" might desire to quarter troops in private dwellings.

What would become of the glorious traditions of our Armed Services? Would our fine Service Academies pass into history? Could there possibly exist any feeling of security, defensively or otherwise, for the people of our country? Obviously, we would have to abandon the Constitutional and statutory right of self-defense once we became a part of "World Government." Possibly we might be placed at the mercy of a powerfully armed international mercenary force

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CAREER COMPENSATION ACT OF 1949

The President has issued the two long awaited Executive Orders necessary to carry out the provisions of the Career Compensation Act of 1949, relating to those retired for physical disability.

By Executive Order No. 10124, dated 25 April 1950, the President promulgated regulations governing the election of certain members and former members of the uniformed services with respect to retirement pay.

That order prescribes for the election, by those so entitled, as authorized in sec. 411 of the Act, to receive (1) disability retirement pay or disability severance pay under the provisions of Title IV of the Act, or (2) retired pay or retirement pay computed by one of the two methods contained in sec. 511 of the Act.

It provides that the Secretary of the services concerned shall determine and inform each member and each former member who were retired or entitled to retirement pay prior to 1 October 1949 under his jurisdiction of (a) the status and benefits to which such person is or may be entitled under the alternative clauses (A) and (B) of sec. 411 of the Act, (b) his right to make an election of benefit thereunder within the five year period beginning 1 October 1949, and (c) the effect of sec. 402 (h) of the Act with respect to the disability retirement pay to which he is or may be entitled.

Each member and former member of the uniformed services to which sec. 411 of the Act applies, shall continue to receive retired pay or retirement pay in the amount authorized by the applicable provisions of law in effect on 30 September 1949, the day immediately preceding the effective date of sec. 411 of the Act unless, pursuant to sec. 411, he elects a different method of payment prior to 1 October 1954, and qualifies for such method.

Any election made pursuant to sec. 411 of the Act and these regulations shall be effective as of 1 October 1949.

The instant order is, therefore, retroactive to 1 October 1949, and authorizes the Secretaries of the services concerned to prescribe such supplemental regulations, not inconsistent herewith, as they may deem necessary or desirable for carrying out its provisions.

Following is partial reprint from an article appearing in our 1st Quarter-1950 Bulletin, together with additional helpful information, outlining the three options provided by the Act for those retired for physical disability prior to 1 October 1949:

(1) they will be allowed to retain their present retired pay based upon present rates, such retired pay to be excluded from gross income for income tax purposes, in which case no action by them is necessary; (2) they will be allowed to qualify on application to have their retired pay based upon the new rates multiplied by the degree of physical disability as of date of last retirement, established under standards applicable to laws administered by the Veterans Administration, but determined by the department under which they hold retired status, such retired pay to be excluded from gross income for income tax purposes; or (3) they will be allowed to qualify upon application to have their retired pay computed on the basis of 2½ per cent for each year of service (not to exceed 75 per cent), the degree of disability existing at the time of retirement to be established as under (2), but in this case only that portion of the retired pay to which the individual would have been entitled had he elected to proceed as under (2) will be excluded from gross income for income tax purposes.

The departments will notify each individual as to the de-

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ASSOCIATION ESTABLISHES EQUALITY OF PRIVILEGES FOR ALL MEMBERS

The Board of Directors, at its regular meeting on 3 May 1950, adopted changes in the by-laws to establish a single type of membership for retired officers in the Retired Officers Association—all members to have equal rights and privileges as members.

Prior to that action, all members from the retired groups, Regular and Reserve alike, enjoyed the same rights and privileges as members with the single exception that those members from the Reserve components did not enjoy the privilege of voting upon matters submitted to the membership.

As originally organized, the Retired Officers Association was composed exclusively of retired officers of the career services. That was at a time when retired officers from the Reserve components were few in number. With the greatly increasing numbers of retired officers from the Reserve components, increasing demands were made for membership in our Association, and that opportunity was extended with all rights, privileges, benefits and obligations, save the voting privilege.

Even though our Association has at all times extended its activities and efforts to the legitimate interests of retired personnel of the Reserve components in equal measure to those of the career services, the question of the voting privilege has been an unwieldy one. At our biennial convention, held on 17 February 1950, a resolution was adopted requiring the President to appoint a committee to study the matter with a view to granting equal privileges to all. That committee was appointed, and in its report submitted to the Board of Directors, made the recommendation forming the basis of the board's action in this matter.

While large numbers of retired officers of the Reserve components have become members of our Association despite the fact that the voting privilege was not available to them, there are no doubt many who have refrained from becoming members because of that restriction. Now that the restriction has been removed, it is hoped that retired officers of the Reserve components will join our Association in greater numbers, with the confidence that their affairs have received, and will continue to receive, the same measure of carefully studied attention as is given to those of any other group.

LATE LEGISLATIVE ACTIVITIES

Following are two late significant legislative developments of primary interest to the Association:

RESERVE AND NATIONAL GUARD PHYSICAL DISABILITY BENEFITS—Appearance was made before a Subcommittee of the House Armed Services Committee, 18 May 1950, advocating favorable consideration of H.R. 7348 and H.R. 7752, having for their purpose to amend Public Law 108 (81st Congress), so as to extend present benefits for members of the Reserve components (including the National Guard), who suffer disability or death from injuries while performing short active duty periods, including travel time.

CADET-MIDSHIPMAN SERVICE UNDER VETERANS ADMINISTRATION LAWS—Since the Act of 13 July 1943, service as cadet-midshipman at service academies during World War II has been considered active military or naval service for the purposes of laws administered by the Veterans Administration. 15 May 1950, the House passed H.R. 7739, introduced by Rep. Evins, to amend the above Act, so as to credit such service during the Spanish-American War and World War I for the same purposes. That bill was actively supported in the House Veterans' Affairs Committee by the Association. Similar support will be given when the measure is brought up for consideration by the Senate Committee.

gree of disability and the amount of compensation he would receive under the new law based upon the degree of his disability. After the receipt of such information, it will be for each individual to determine whether he will elect to continue to receive his retirement pay under the old law, request the receipt of retired pay under the new law based upon the degree of disability thus established, or elect to have his pay computed on the basis of years of service x 2½ per cent x the basic pay for one of his rank and length of service. It will thus be seen that determinations will depend upon the circumstances in each case and must be made by the individual himself after the receipt of the information concerning his degree of disability from the department under which he holds retired status.

If a member elects to receive pay under the years of service option, that portion attributable to disability may be excluded from gross income in his Federal tax returns. The difference must be reported, and tax on that amount will be withheld by the paying officer.

With regard to the question of whether an individual will profit by electing to have his retired pay computed on the basis of the third option, it should be noted that only full-time military service on active duty may be counted to establish the years of service to be applied in the formula as the percentage multiple, counting more than one-half a year of service as a full year. Thus, if one has served 21 years and more than 6 months of active duty, he may use 22 years in the formula to reach his computation. The basic pay to be used in the formula, as provided in section 511 of the Act, is the pay which the individual would be entitled to receive if serving on active duty.

Under date of May 5, 1950, the Commissioner of Internal Revenue answered eight questions, submitted by the Chief of Bureau of Supplies and Accounts of the Navy Department, relating to retired pay under the provisions of the Career Compensation Act.

The first question assumes that a member who has previously retired (previously meaning before the date of enactment of the Act) for physical disability resulting from active service elects to have his retired pay computed in accordance with one of the two methods set out in Section 511 of the Act: First, if he elects to receive disability retired pay to which he was entitled by law prior to the date of the Act all of his pay is exempt under provisions of Section 22 (b) (5) of the Internal Revenue Code; Second, if he elects to receive pay computed on the basis of years of active service, under the provisions of Section 402 (h) of the Career Compensation Act, his pay will be exempt under Internal Revenue Code Section 22 (b) (5) in the amount that he would have received if his pay were computed solely on the basis of disability. The amount of pay that he receives over and above the amount computed on the percentage of his disability is not exempt from payment of income tax. The Association understands that from the non-exempt amount of retired pay the disbursing officer of the service concerned will withhold the income tax based on information given him by the retired person as to the number of exemptions which he claims.

The second question relates to the tax year in which the taxable portion of a lump sum received under an election of back pay to October 1, 1949, must be reported. The ruling is that inasmuch as a member does not have a legal right to the additional income prior to his election, the taxable portion of the lump sum payment should be included in his gross income for the year in which it is received.

The third question relates to what would happen when an officer does not make an election for four years, for example, and continues to receive disability pay all of which is tax exempt and excluded from gross income, that is, not reported. At the end of four years, to use the example, he elects to qualify for disability retirement pay on the basis of 30 years of active duty. Percentage of disability has been determined at 30 per cent. Thus only a relative small proportion of his pay after the election would be exempt from income tax. The ruling is to the effect that the amounts that were reported as exempt for prior years under laws then in effect will not be disturbed. However, for the year in which he makes his election and receives a lump sum back payment, only that portion of the pay received during that year which is attributable to disability will be exempt and the taxable portion of the lump sum payment should be included in the gross income for the year in which it is received.

The result of this will be that there would be a much larger exclusion over the four year period than if the election had been made immediately upon receipt of notice that he could make an election.

Question four relates to those officers who are entitled to a pension under the laws administered by the Veterans Administration by waiving a like amount of their retired pay under the provisions of Public Law 314, 78th Congress, and who, under the Career Compensation Act of 1949, elect to compute their pay on the basis of years of service with the exclusion of a part of their retired pay based upon percentage of disability. The answer is to the effect that the $90, or whatever amount will be received as a pension from the Veterans Administration, would not constitute an additional exclusion from gross income. That is, if a member entitled to a pension under Public Law 314, chooses to receive such pension from the Veterans Administration and to waive an equal amount of his retired pay, it is the tax exempt portion of his retired pay that will be absorbed by the amount waived to the full extent of that portion. If the tax exempt portion did not equal the amount of the pension, he would obtain an additional tax exclusion to the amount of the difference.

Question five relates to the pay of members on the temporary disability retired list with less than 20 years of service and 30 per cent disability. At the present time this does not concern any members of the Retired Officers Association but it may in the future. The answer applies the same principles as are applied in the answer to Question Two. Where the member elects to receive his temporary disability retired pay based on years of service, only that part of such pay in excess of the amount which he would be entitled to receive on the basis of physical disability is required to be reported as gross income and is taxable. In other words, the exemption granted by Section 22 (b) (5) of the Internal Revenue Code does not apply to that part of the temporary disability pay computed on the basis of years of active service which is in excess of the pay that he would receive if it were computed *solely* on the basis of percentage of disability.

Question six is the same as question five except that if a member has over 20 years of service, for example 24 years of service, it would give him 60 per cent of basic pay. The answer is that the same rule applies and the entire difference between this 60 per cent pay based on years of service and this 30 per cent pay based on rate of disability would be taxable.

Question seven assumes that no withholding of Federal Income Tax is required with respect of disability severance pay or with respect to retired pay where retirement is for physical disability incurred while in active service. Specifically the question is whether withholding will be based on the total amount of disability retirement pay or only that part which exceeds an amount computed on the basis of the member's disability. The answer is the latter, i.e. only that part which exceeds an amount computed on the basis of the member's percentage of disability.

Question eight inquires as to how the withholding tax

should be computed on lump sum payments where a retroactive election is made. The ruling is that withholding is required in the year in which lump sum payments are made, and only on that part which is includible in gross income. See answer to question two.

For convenient reference purposes, those sections of the Act cited in the Executive Order, namely: Sections 411, 511, and 402 (h), are listed below in that order:

MEMBERS OR FORMER MEMBERS HERETOFORE RETIRED FOR PHYSICAL DISABILITY

Sec. 411. Pursuant to such regulations as the President may prescribe, (1) any member or former member of the uniformed services heretofore retired by reason of physical disability and now receiving or entitled to receive retired or retirement pay; (2) any former member of the uniformed services heretofore granted or entitled to receive retirement pay for physical disability; (3) any member of the Army Nurse Corps or any person entitled to the rights, privileges, and benefits of members of the Army Nurse Corps, retired for disability under the Act of June 20, 1930 (46 Stat. 790), as amended; and (4) any member of the Navy Nurse Corps, or any person entitled to the rights, privileges, and benefits of members of the Navy Nurse Corps, retired for disability prior to December 23, 1942, under the Act of June 20, 1930 (46 Stat. 790), as amended, may elect within the five-year period following the effective date of this title, (A) to qualify for disability retirement pay under the provisions of this Act and, dependent on his qualification, shall be entitled to receive either the disability retirement pay or the disability severance pay prescribed in this title: Provided, That the determination of the percentage of disability as prescribed in sections 402(a)(3), 402(b)(3), or 402(c)(3), as applicable, shall be based upon the disability of such members, former member, or person, as of the time he was last retired or as of the time he was granted retirement pay, as the case may be, and the percentage of such disability will be determined in accordance with the standard schedule of rating disabilities in current use by the Veterans' Administration; or (B) to receive retired pay or retirement pay computed by one of the two methods contained in section 511 of this Act: Provided further, That the retired or retirement pay of each person referred to in (3) and (4) above shall, unless a higher rank or grade is authorized by any provision of law, be based upon the commissioned officer rank or grade authorized for such persons by the Act of May 7, 1948 (Public Law 517, Eightieth Congress).

RETIRED AND RETAINER PAY OF MEMBERS ON RETIRED LISTS OR RECEIVING RETAINER PAY

Sec. 511 On and after the effective date of this section (1) members of the uniformed services heretofore retired for reasons other than for physical disability, (2) members heretofore transferred to the Fleet Reserve or the Fleet Marine Corps Reserve, and (3) members of the Army Nurse Corps or the Navy Nurse Corps heretofore retired under the Act of May 13, 1926 (44 Stat. 513), shall be entitled to receive retired pay, retirement pay, retainer pay, or equivalent pay, in the amount whichever is the greater, computed by one of the following methods: (a) The monthly retired pay, retainer pay, or equivalent pay in the amount authorized for such members and former members by provisions of law in effect on the day immediately preceding the date of enactment of this Act, or (b) monthly retired pay, retirement pay, retainer pay, or equivalent pay equal to 2½ per centum of the monthly basic pay of the highest federally recognized rank, grade, or rating, whether under a permanent or temporary appointment, satisfactorily held, by such member or former member, as determined by the Secretary concerned, and which such member, former member, or person would be entitled to receive if serving on active duty in such rank, grade, or rating, multiplied by the number of years of active service creditable to him: Provided, That for the purpose of the computation of (b) above, fractions of one-half year or more of active service shall be counted as a whole year: Provided further, That in no case shall such retired pay, retainer pay, or equivalent pay exceed 75 per centum of the monthly basic pay upon which the computation is based: Provided further, That for the purposes of this section, the term "active service" as used herein shall mean all service as a member or as a former member of the uniformed services, or as a nurse, or as a contract nurse prior to February 2, 1901, or as a reserve nurse subsequent to February 2, 1901, or as a contract surgeon, or as a contract dental surgeon, or as an acting dental surgeon, or as a veterinarian in the Quartermaster Department, Cavalry, or Field Artillery, or as an Army field clerk or as a field clerk, Army Quartermaster Corps, while on the active list or on active duty or while participating in full-time training or other full-time duty provided for or authorized in the National Defense Act, as amended, the Naval Reserve Act of 1938, as amended, or in other provisions of law, including participation in exercises or performance of the duties provided for by sections 5, 81, 92, 94, 97, and 99 of the National Defense Act, as amended, and in the case of commissioned officers of the Public Health Service, that service which is creditable pursuant to part (3) of section 412 of this Act: Provided further, That the retired or retirement pay of each member referred to in (3) above shall, unless a higher rank or grade is authorized by any provision of law, be based upon the commissioned-officer grade authorized for such member by the Act of May 7, 1948 (Public Law 517, Eightieth Congress): Provided further, That (a) enlisted persons or former enlisted persons of the Regular Army or Regular Air Force who have been transferred prior to the effective date of this section to the Enlisted Reserve Corps or to the enlisted section of the Air Force Reserve and placed on the retired list of the Regular Army or the Regular Air Force, respectively, under the provisions of section 4 of the Act of October 6, 1945 (59 Stat. 539; 10 U. S. C. 948), as amended, and (b) enlisted persons or former enlisted persons of the Regular Navy or Regular Marine Corps who have been transferred prior to the effective date of this section to the Fleet Reserve or the Fleet Marine Corps Reserve under the provisions of title II of the Naval Reserve Act of 1938, as emended, shall not be entitled to have their retired pay or retainer pay computed on the basis of the highest officer or warrant-officer grade held by them as authorized by this section until they have completed thirty years of service, to include the sum of their active service and their service on the retired list or in the Fleet Reserve or in the Fleet Marine Corps Reserve, as required by existing law: And provided further, That enlisted persons and warrant officers of the uniformed services, heretofore or hereafter advanced on the retired list to a higher officer rank or grade pursuant to any provision of law shall, if application therefor is made to the Secretary concerned within one year from the effective date of this section or within one year after the date of advancement on the retired list, whichever is the later, and subject to the approval of the Secretary concerned, be restored to their former retired enlisted or warrant-officer status, as the case may be, and shall thereafter be deemed to be enlisted or warrant-officer personnel, as appropriate, for all purposes, including the computation of their retired pay based on such enlisted or warrant-officer rank, grade, or rating, as the case may be.

TEMPORARY DISABILITY RETIREMENT, PHYSICAL DISABILITY RETIREMENT, AND DISABILITY RETIREMENT PAY

Sec. 402 * * *

(h) That part of the disability retirement pay computed on the basis of years of active service which is in excess of the disability retirement pay that a member would receive if

such disability pay were computed on the basis of percentage of disability shall not be deemed to be a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed service in the armed forces of any country within the meaning of section 22(b)(5) of the Internal Revenue Code, as amended.

As has been reported previously, the various services have been engaged in setting up procedures required in the processing of physical disability retirement cases. We are informed that, for the most part, those procedures are well established, and that actual adjustments can now be handled as rapidly as personnel available to do the job will permit. The Navy estimates that its cases will be accomplished within the next few months. A similar estimate of completion holds good for the Coast Guard, Coast and Geodetic Survey, and Public Health Service. The Army and Air Force, having a substantially larger number of cases will, of course, require an indefinitely longer period.

In his other Executive Order, No. 10122, dated 14 April 1950, the President promulgated, pursuant to sec. 414(b), regulations for administering those provisions of the Career Compensation Act of 1949 governing hospitalization, re-examination of those on the temporary disability retired lists, and disbursement of retired pay for those retired by reason of physical disability.

Brief analysis of that order follows:

1. Effective 1 October 1949, it places responsibility in the Secretaries of the services concerned for the payment of disability retirement pay, except that until 1 July 1950, disability retirement pay for non-regular Army and Air Force officers will continue to be handled by the Veterans Administration.

2. Responsibility for hospitalization and re-examination of those placed on temporary disability retired lists are assigned Secretaries of the services concerned, effective 1 October 1949.

3. All responsibilities for hospitalization, other than for chronic diseases of those permanently retired for disability, are assigned to the Secretary of the service concerned, effective 1 May 1950. However, any individual eligible for treatment in a Veterans Administration hospital may elect to be hospitalized by the Veterans Administration.

Up to the present, regular officers of the Army, Navy and Air Force retired for physical disability have been taken care of in service hospitals. Reserve officers of the Navy retired for physical disability have likewise been eligible for treatment in service hospitals, but reserve officers of the Army and Air Force retired for physically disability have, generally, been cared for in Veterans Administration hospitals. Under the Executive Order retired regular and reserve officers of the Army, Navy and Air Force will be hospitalized on the same basis.

4. All responsibilities for hospitalization for chronic cases are assigned to the Veterans Administration, effective 1 May 1950. However, until 1 October 1950, service hospitals may continue the care of individuals admitted before 1 May 1950. Among those diseases termed as chronic are: arthritis, malignancy, psychiartric or nueropschiatric disorder, paraplegia, tuberculosis, and such other diseases as may be determined chronic jointly by the Administrator of Veterans Affairs, the Secretary of Defense and the Federal Security Administrator.

Until this time, no distinction was made in providing hospital care for chronic and non-chronic cases. The Hoover Commission emphasized that care in Armed Forces and other Federal hospitals of small numbers of cases requiring highly specialized treatment is wasteful of both specialized hospital facilities and professional personnel. The Veterans Administration, that Commission continued, has by far the largest Federal facilities for the treatment of chronic diseases. It has been stated that the treatment of the relatively small number of chronic cases now distributed throughout military hospitals, under the Veterans Administration, will result in more specialized and efficient care of such patients and more economical utilization of Federal hospital facilities and professional staff.

5. Responsibilities of the Treasury and Commerce Departments with respect to hospitalization of personnel retired from the Coast Guard and Coast & Geodetic Survey for physical disability, will continue to be carried out through the Public Health Service, except that chronic patients will be hospitalized by the Veterans Administration.

The above order establishes no new rights to hospitalization for retired personnel of the uniformed services; it merely assigns the responsibility for providing hospitalization where entitlement thereto now exists.

It will be noted that, with respect to hospitalization for diseases defined as chronic, the above order governs only those retired because of physical disability. No regulations governing the handling of similar cases for those retired for other than physical disability are prescribed thereby.

REVISION OF RETIREMENT LAWS AND ESTABLISHMENT OF SURVIVOR BENEFITS

It appears doubtful whether the present Congress will undertake consideration of a general revision of the retirement laws, much less enact legislation for that purpose, despite official expressions of intention to accomplish that objective during consideration of legislation which became the Career Compensation Act of 1949. There was, however, a most important bill, H.R. 8035, introduced in the House by Rep. Kilday on 5 April 1950, to provide benefits for survivors of members of the uniformed services. The importance of that bill cannot be over-emphasized, in view of Rep. Kilday's position as Chairman of the Sub-committee of the House Armed Services Committee, which has jurisdiction in that Committee over legislation concerning pay and retirement, and of the fact that that bill is reputed to embody the conclusions of the uniformed services; it being understood those services strongly desire the enactment of legislation providing survivor benefits. It is very probable that hearings will be held on that bill and, should the legislation be not enacted during the present session of Congress, there appears every reason to believe it will be enacted early in the 82nd Congress.

At the time of preparation of the Career Compensation Act of 1949, it was recognized that there was urgent need for some type of legislation providing survivor benefits for members of the uniformed services. At that time, however, the services were not prepared to make specific proposals for such benefits.

The proposal embodied in H.R. 8035 provides maximum payments to surviving dependents at minimum cost to the individual service member. No benefits accrue except upon death of the service member. All benefits under this plan *are in addition* to benefits under existing law, such as: (a) veterans benefits; (b) death gratuity; and (c) Federal life insurance administered by the Veterans Administration.

The bill, H.R. 8035, as drafted, provides two survivor benefit plans. The first plan being for the dependents of those members of the uniformed services *dying while on active duty* will hereafter be referred to as the *"Active Member Plan."* The second plan being for the dependents of those members *dying after their retirement* from active duty will hereafter be referred to as the *"Retired Member Plan."* Both plans are applicable in all respects to both officers and enlisted men.

Active Member Plan

All who enter the services after the passage of the pro-

IMPORTANT SPECIAL

With reference to the tax exclusion feature alluded to in the last two sentences of the first paragraph of the second column on page 6 of the current issue of the Bulletin, our Association on 23 May 1950 received further information from the Bureau of Internal Revenue after this issue of the Bulletin had gone to press. This information is of such importance as to warrant supplemental treatment.

Among questions which were submitted by the Department of the Navy to the Commissioner of Internal Revenue for an opinion, one question dealt with this tax feature, which question and answer are as follows:

> "Question 3: Furthermore, would an election retroactive to October 1, 1949, for the purpose of changing computation of disability retirement pay, or the retired or retainer pay, be also retroactive so as to change the taxable status of such pay? [For example, Admiral A, who was retired prior to October 1, 1949, for physical disability, has been receiving $550 a month nontaxable retired pay. On October 1, 1953, Admiral A elects to qualify for disability retirement pay and on the basis of 30 years of active duty is entitled to $716.06 a month (2½ x $954.75 basic pay under the Act x 30) disability retirement pay. His percentage of disability at the time of his retirement in accordance with Veterans Administration rating schedule is determined as 30 percent. Under section 402(h) of the Act, $286.43 of Admiral A's disability retirement pay would be excluded from gross income, ($954.75 x 30%) and $429.63 a month would be included as part of his gross income. Admiral A would receive a lump sum payment in 1953 of $7,970.88, representing 48 times the difference between his previous pay of $550 and his newly determined pay of $716.06 a month. However, he has treated the $550 a month received for the four-year period as nontaxable income. If the taxable status of the Admiral's disability retirement pay is retroactively changed, he would have been entitled during the four-year period to an aggregate exclusion of only $13,749.64, whereas he actually excluded an aggregate of $26,400 from gross income during the four-year period.]
>
> "Answer: An election retroactive to October 1, 1949, for the purpose of changing the computation of disability retirement pay will be subject to the limitation contained in section 402(h) so as to change the taxable status of such pay for the year in which it is received. Amounts properly reported as exempt for prior years under laws then in effect will not be disturbed."

With reference to this ruling, our Association has received information from the Bureau of Internal Revenue that the tax exclusion formerly applicable to the retired pay of those retired for physical disability prior to 1 October 1949, will continue to be so applied until the effective date of an election to have pay computed under the new law and that the former tax exclusion of the retired pay theretofore received will not only apply to any full year during which it was received, but that it will be prorated by months within any given year in which the election might become effective. In other words, for each month that an individual delays exercising the right of election he will continue to receive full tax exclusion of his former pay; whereas after the election he will be permitted only the amount of tax exclusion to which he is entitled under the new law by reason of the degree of his disability.

As an example, the physical disability retired pay of a brigadier general with more than 30 years of creditable service, under the old law was $412.50 per month fully excluded from tax. The pay to which he is entitled, based upon 30 years of service under the new law is $619.88 per month (75% of the base pay of $826.50). Assuming 20% of disability, the amount which he would be entitled to exclude would be $165.30 (20% of $826.50). If, under these circumstances, he elects to have his pay computed on the basis of years of service with the partial tax exclusion permitted under the new law and his election becomes effective as of 1 July 1950, he will be entitled to consider his tax return for 1949, submitted on the basis of the old pay, as closed without the necessity of revision and he also will be entitled to the tax exclusion on the basis of his former pay of $412.50 for each of the 6 months of 1950 prior to the effective date of his election. He will, of course, receive back pay for the 9 month period between 1 October 1949 and 30 June 1950 equal to 9 times the difference between his former retired pay and his new retired pay ($9 \times \$619.88$ minus $412.50, or $9 \times \$207.38$) = $1,866.42, all of which is taxable income for the year 1950, the exclusion having been applied at the old more beneficial rate. For the remaining 6 month period of 1950, between 1 July 1950 and 31 December 1950, there would be excluded from the retired pay of $619.88 only $165.30 per month. Under the above assumptions as to length of service and degree of disability, it would in most cases benefit those in such circumstances to delay rather than to hasten the exercise of their option. The gain to the individual from a tax standpoint by delay would be equal to the difference between the amount of the former monthly pay received and the amount of the new tax exclusion to which the individual may be entitled; in this case, $412.50 minus $165.30 or $247.20 per month greater tax exclusion.

This supplement is published, based upon informal information requested by our Association of the Bureau of Internal Revenue and is not based upon a formal ruling. It is considered accurately to represent the situation, based upon available information, but does not purport to recommend action in individual cases. It is furnished with the suggestion that any individual, who feels that he has a case in which he may profit by delaying the exercise of his option, evaluate his situation carefully, if need be, with the support of competent advice, keeping in mind that an election once made is final. Further information will be furnished by our Association to its members on request.

posed new law would automatically come under its provisions; whereas those in service at the time of its passage must affirmatively indicate their desire to be so included.

Under that plan if any member of any component of the uniformed services dies while on active duty, and is survived by any of the following: (a) a widow; (b) minor child or children; or (c) surviving father or mother, either of whom is a legal dependent of the service member; such surviving dependent or dependents would receive benefits as set forth below:

(a) An annuity payable to such widow for life or until remarriage in an amount not less than 25% but up to 37½% (based on number of years service times 1¼) of the highest annual basic pay of any grade held.

(b) For each minor child an additional annuity of $360.00 or a maximum of $900.00 in the case of three or more children. In event there is no surviving widow, or the surviving widow dies prior to her remarriage, the widow's share in (a) above shall devolve upon the child or children. The annuity payable to a child shall terminate in all cases upon his death or marriage and upon his reaching the age of 18 years unless physically or mentally incapable of self support in which case payments continue during such period of affliction, or if pursuing an approved course of study until reaching the age of 21 years.

(c) If not survived by widow or minor children but by dependent father or mother, then widow's share, computed as in (a) above, shall be paid to these dependents for their life.

If any active member dies without having had during his period of contribution to the fund any beneficiary eligible to receive an annuity (i.e. widow, minor child, or dependent parent), the total amount of his contribution would be paid his estate, or designated beneficiary.

The benefits set forth above would be provided for by deductions monthly from his pay of each active member in an amount equal roughly to about 1% of his basic pay.

Retired Member Plan

Members of the uniformed services drawing retired pay (including Fleet Reservists) on the date of passage of the Act would have one year in which to elect to come under its provisions. Members retired subsequent to the effective date of the Act would have one year from date of retirement or transfer to Fleet Reserve in which to make such election.

Election to come under the provisions of the plan means that each member so desiring would elect to receive a reduced amount of retirement pay, which reduced amount would be determined by actuarial principles and would be in the nature of monthly premium payments in consideration of which an annuity would be payable, after his death, to his widow for life. The amount of the monthly payments would, therefore, in the great majority of cases, be materially less than the amounts which would be payable to the widow of the individual concerned. The amount of such annuity would be the amount specified by the retired member making the election, except that it would not exceed 50% of his retired or retainer pay.

An election once made to receive a reduced amount of retired pay and an annuity payable after death to a surviving widow would be irrevocable.

Provisions are included to take care of cases wherein the retired member is mentally incompetent and incapable of making such elections.

General Provisions Applicable to Both Plans

(a) No annuity under either plan shall be assignable or subject to levy or execution.

(b) All annuities hereunder shall be in addition to any pensions or other payments to which such person may now or hereafter become entitled.

(c) The Act shall become effective on the 1st day of the month following the month in which enacted.

It should be carefully noted that nothing in the proposed legislation suggests a participating plan as to retired pay. The plan proposes merely a system of survivior benefits based upon actuarial determinations, resulting contributions being in the nature of premiums for what is comparable to term insurance. No part of the suggested contributions, payable to establish the right for the survivors to receive annuities is, in any way, connected with the right to receive retirement pay as such. In other words, the plan embodied in H.R. 8035 is wholly and completely divorced from any concept of a participating plan for the maintenance of retirement pay.

From time to time in the past there have been those who have suggested that retirement pay is a gratuity or a pension, and that it is subject to diminution or elimination by the will of Congress. Nothing could be farther from the fact than to say that retired pay is a gratuity or a pension, although it is conceded that Congress has the power to reduce or eliminate the receipt of such pay.

Retirement pay is a salary and not a pension or gratuity. Military retirement is a status, and is not, in the true sense, retirement at all. Those who are retired are at all times subject to military discipline; they are subject to recall to active duty during emergency and war; and are recalled under such circumstances.

Secretary of Defense Johnson in a recent Military Personnel Policy Statement declared, "service in the armed forces is the highest form of public service . . . requiring curtailment of individual freedom more severe than that required of civilians and commitment to immediate participation in military action if the situation demands it." Speaking in the same vein, former Secretary of the Army Gordon Gray, said, "Our career officers are highly intelligent and capable Americans who have voluntarily chosen a life of public service, with no possibility of great financial remuneration."

Regarding those retired for physical disability; in the Report of Investigation of Physical Disability Retirements in the Army, Navy and Marine Corps, conducted by the (Elston) Legal Sub-committee of the House Armed Services Committee, early in 1948, it is stated: "The military retirements system is a non-contributory system and, in our opinion, confers no vested rights upon its prospective beneficiaries. We consider it within the authority of the Congress to alter existing retirement laws in any manner it deems advisable. However, aside from the purely legal aspects of the question, we cannot ignore the moral obligation which the Congress has accepted by the enacting of existing laws. We recognize the moral obligation and, * * * would not disturb the retired or retirement pay of those who have been legitimately retired or granted retirement pay."

The establishment of the retired list for the services is all part of the Congressional plan to discharge its duty under the Constitution of the United States to provide for the common defense. The concern of the founding fathers for the common defense of the United States is exemplified by the fact that it is mentioned in the Constitution in no less than three places. For example, the Preamble states that one of the purposes of the Constitution is "To provide for the common defense." *Constitution U.S. Preamble.* Concern for the common defense next appears under the powers of Congress, first clause, where it states that Congress shall have the power to provide for the common defense. *Constitution U.S., Article I, Section 8, Clause 1.* The third reference is to the specific powers of the Congress where the duty is laid upon it to provide for the maintenance of the Army and the Navy, together with the rules for the government of land and naval forces. *Constitution U.S., Section 8, Clauses 11, 12, 13.*

It was early established that officers on the retired list of the Navy are still in the Navy and remain subject to the rules and articles which govern the Navy, as well as to trial by Court-Martial. *13 Comptroller's Decision 590.* Status on the retired list is fundamentally the same in the Army and in the Navy. *25 Opinions Attorney General 316.* It has been judicially determined that retirement pay is a salary. A retired Naval officer is still an officer in the Navy and his retired pay is the equivalent of the salary. *Franklin v. U.S., Court of Claims 6.*

Likewise, it has been judicially determined that retired pay is not a pension, "The retired list of the Army is regulated by positive law, being a form of compensation adopted by the government." *McBlair v. U.S., 19 Court of Claims 528.* Futhermore, it has been stated that the difference in the meaning of the terms "Retired Pay" and "Pension" is so clearly recognized in the laws that one can hardly be confused with the other. *12 Comptroller's Decision 407.*

Periodically, there have been suggestions that the military retirement system be changed from a non-contributory system to a participating system. Such a proposal was included in the recommendation of the Joint Service Pay (Fechteler) Committee, which preceded the study and report of the Advisory (Hook) Commission on Service Pay. The Fechteler Committee recommended a participating system, but in order to support such a system, it recommended substantially higher increases in pay than those recommended by the Hook Commission. Concerning this subject, in recommending much lower increases in pay, the Hook Commission said:

"A non-contributory plan of retirement is traditional with the military and particularly suited to a government agency. Private industry, lacking the taxing power and the accurity of perpetual existence, wisely accumulates in advance the funds from which to pay retirement benefits, even though the employer's corporate existence should end. The Government has no need to accumulate such a fund as long as the power to tax exists. Other such Government funds are in reality only bookkeeping entries and the receipts of funds are in fact merged into the general funds of the Treasury and used as such for current expenses. They cannot be set aside years in advance to serve a particular purpose and be productive unless the Government is to move into ownership of the tools of production. Thus, with the found itself serving no useful purpose, to establish a contributory plan or a funded non-contributory plan would only create a large extra expense to the Government in providing the administrative and clerical personnel necessary to deduct and record the contributions, real or fictitious, and to administer the so-called fund."

Suggestions are now heard that the military retirement system should be converted into a contributory system. If that should be undertaken, it is obvious that it would be necessary to raise the present pay scales by amounts sufficient to provide for the contributions. Past pay scales have not been, nor are present pay scales sufficient in amount to make it reasonably just to require the contributions. That matter was fully studied by the Hook Commission in recommending increases in pay which were not fully met in Congress in the enactment of the Career Compensation Act of 1949. Those who now recommend the establishment of a participating system, do so in the belief that by so doing the military retirement systems would become at least in a measure self-sustaining, and that the establishment of such a system would provide a security in retirement pay for the future. Those who entertain the thought that Congress might diminish or eliminate retirement pay in the future should consider carefully the history of the establishment of the military retirement systems, as well as the necessity for their establishment and maintenance.

In view of these considerations, it should be clear that the maintenance of pay for retired military personnel is a responsibility and a duty of the Congress. Appropriations for retired pay are as much of a responsibility as are appropriations for those who serve the Government in active capacities. While it is true that Congress has the power to reduce or eliminate retirement pay, it likewise has the power to fail to appropriate for the pay of officials of the Government, including the President. But should it choose to exercise that power, the net result would be to destroy the effectiveness of the Government and dangerously lower the morale of those who serve it.

Even though there is reasonable expectation for a contributory survivor system being enacted, it is inconceivable that the Congress, in a revision of the retirement laws, would ever act contrary to the principles as above set forth.

HOSPITALIZATION

The Association's utmost efforts are being exerted in behalf of retaining medical-hospital care for personnel heretofore retired and service dependents.

First of two serious threats to a continuation of those benefits was a recent Department of Defense directive closing, not later than 1 July 1950, the below listed Army General Hospitals: Murphy (Waltham, Massachusetts), Oliver (Augusta, Georgia), Percy Jones (Battle Creek, Michigan), and Valley Forge (Phoenixville, Pennsylvania), and the Naval Hospital, Long Beach, California.

Our Association was represented at the hearings held by a Sub-committee of the House Armed Services Committee, inquiring into the effect that directive would have upon the curtailment of existing benefits. During the course of those hearings the following prepared statement was submitted, outlining the Association's position in the matter:

"The Retired Officers Association has followed with deep interest and no little concern the inquiry here being made into the subject of military hospitals, particularly as regards the availability of adequate treatment for retired officers and the dependents of service personnel both active and retired.

"It is noted that the Department of Defense plan now under consideration for the elimination of 4 presently existing Army general hospitals and 1 Naval hospital, together with a drastic reduction in bed space at a number of the remaining hospitals within the continental limits of the United States, is designed primarily with a view to the care of active duty personnel. That plan has been termed to be in the interest of unification and economy.

"While commending such a purpose and, being cognizant of the expressed desire of the Department of Defense to continue the availability of medical treatment to retired personnel and service dependents, it would appear that the execution of the plan would in itself make that care for retired personnel and service dependents exceedingly difficult, if not impossible, to obtain.

"Of the more than 17,000 members of the Retired Officers Association, including many retired by reason of physical disability incurred in the performance of their military duties, the availability of adequate facilities is not only necessary, but essential to keep in a high state of physical fitness those who might again be called back to active duty in a possible emergency. Retired officers—those with an extensive background of experience—provide a vital reservoir of capable personnel for immediate emergency assignment.

"Hospitalization for that category of personnel, as well as for service dependents, has been in the past, and is now, part of the inducement to enter military service as a career and will continue to be looked upon as part of the guarantee assured them for long and faithful service to the country.

"As a matter of fact, it was unmistakably clear that the Hook Commission in recommending pay increases, and the Congress in enacting the Career Compensation Act of 1949, did not do so with any view to withdrawal or reduction in hospital or medical services to retired officers or service dependents. On the contrary, it is believed that those increases were arrived at with full appreciation of the existence of those services and other benefits available to those serving or having served the country in uniform and their dependents.

"The morale factor of the availability of medical-hospital benefits, both to those who have completed their careers and those who are now serving with that goal as an incentive, cannot be too strongly emphasized.

"Moreover, in sec. 402 (i) of the Career Compensation Act of 1949, retired Reserves were accorded equal rights with regulars. Certainly the Department of Defense directive here under consideration would not—it could not—provide the appropriate medical and hospital care for those large additional numbers of beneficiaries as intended by that mandate of the Congress.

"The plan under discussion—whereby the Army is left with but one general hospital (Walter Reed) east of the Mississippi River, providing for admission of the Army's overflow of patients into three Naval hospitals in that area, located at Chelsea, Massachusetts; St. Albans, New York; and Bethesda, Maryland; which are described as already crowded—would, obviously, serve to curtail drastically, if not eliminate entirely, prompt attention being given to all retired career and Reserve personnel and their dependents.

"Closure of the Naval hospital at Long Beach, California, where exceedingly large numbers of retired personnel and service dependents reside, would further serve to deny hospital treatment to many who have established themselves in that vicinity with the existence of that facility as a potent factor in a decision to locate there. The same can be said with equal justification of activities which might be reduced in size or availability of facilities, such as is suggested with reference to the Naval Hospital at Mare Island, California. This hospital has existed since 1855 and many military families have made their homes in this vicinity largely influenced by the availability of medical facilities available to them and their dependents in that hospital.

"May I repeat, Mr. Chairman, that any program designed in the interest of real economy has the full support of this Association, but we oppose with the same degree of sincerity any program designed to effect unreasonable economies at the expense of those benefits which have been held out as a right to those who have served and are still serving our country's defense.

"Accordingly, Mr. Chairman, our Association, while heartily in favor of all reasonable economies which can be effected, recommends against the adoption of any program with regard to hospitalization which may fail to maintain adequate facilities to continue, or even to expand, the availability of medical facilities to serve and hospitalize retired personnel and service dependents.

"The views expressed in this statement have long been those of the Retired Officers Association. During November, 1949, when it was announced that a recommendation had been made by the Bureau of the Budget concerning hospitalization and medical treatment of military personnel, with a view to the elimination of or curtailment in the availability of such facilities to them, our Association placed its views in this matter, consistent with those expressed in this statement, before the Department of Defense."

While the hospital closing order was under consideration, because of the indication that drastic changes were contemplated, our President, Admiral Hamlet, wrote to the Director of the Bureau of the Budget, furnishing a copy of his letter to the Secretary of Defense, pointing out that the health and physical fitness of retired personnel of the uniformed services is a military problem. The personnel themselves are still a part of the services, being subject to recall to active duty immediately a future emergency should arise.

Dependents of retired personnel must likewise hold themselves in readiness to meet the consequences of the innumerable disruptions possible recall to active duty entails.

Secondly, the Presidential Executive Order pertaining to hospitalization under the Career Compensation Act of 1949, requiring the services to assume responsibility for the hospital treatment and re-examination of personnel retired for physical disability, except for chronic cases (to be treated by the Veterans Administration), imposes upon service hospitals a burden of such proportions as will jeopardize further the availability of the family care program.

Chairman Vinson of the House Armed Services Committee has informed the Department of Defense, however, that Congress will not tolerate elimination or curtailment of dependent medical care. He has stated that his Committee will oppose vigorously any attempt to do "indirectly what cannot be accomplished directly."

We agree wholeheartedly with the sound reasoning of Chairman Vinson and his Committee that to reduce or deny medical care for service beneficiaries would create a grave situation doing permanent injury to the very roots of service morale.

If we are to have an efficient and effective national defense, it is imperative that the spirit of those who serve therein be maintained at the highest possible level. And the way to do that, in our opinion, is to promote conditions relating to the mental and physical well being of service personnel (active and retired) and their dependents.

CAPTAIN ROBERT HENDERSON, USN, RETIRED ADVANCED TO REAR ADMIRAL RANK ON THE RETIRED LIST

At impressive ceremonies in the office of Vice Admiral John W. Roper, USN, Chief of Naval Personnel on 10 May 1950, Captain Robert Henderson, USN, Retired, a Director of the Association, was presented a commission as Rear Admiral, USN, Retired, based upon a World War I citation, for which he was previously awarded the Navy Cross.

MEMBERSHIP BREAKDOWN AS OF 30 APRIL 1950

Army	8,135
Navy	5,769
Air Force	1,690
Marine Corps	773
Coast Guard	1.042
Coast & Geodetic Survey	45
Public Health Service	50
Total	17,504
Life Members (Non-dues-paying status)	997
Life Members (Dues-paying-status)	1,120
Members	8,329
Reserve Members	7,058
Total	17,504

FINANCIAL STATEMENT AS OF 30 APRIL 1950

Cash in Bank (Hamilton National Bank), 30 Apr. 1950	6,729.64
Petty Cash on Hand	25.00
Total Available Cash	6,754.60
U. S. GOVERNMENT BONDS	36,840.00
Accured interest on 23 "F" Series Bonds	85.00
Total Available Fiscal Assets	$43,679.64
Book Value of Office Equipment	6,471.54
Worth as of 30 Apr. 1950	$50,151.18

responsible only to whatever clique of Asiatic or European politicians might be in power in the "World Government" at a particular moment.

Furthermore, the "World Government" would have the sole right to organize and dispose its forces. To that extent our sons would become slaves of the "World State." The Atom and H-Bomb would be taken over with our gold.

Remember, at least 101 Representatives and 19 Senators and 22 States have already approved of "World Federation," which now has a "World Constitution" to guide its activities.

Abraham Lincoln, whose great character is graphically portrayed in the front cover picture of this issue, once said: "You can fool all of the people some of the time, and you can fool some of the people all of the time, but you can't fool all of the people all of the time."

Let us not fool ourselves concerning the grave implications of this impractical dreamer's paradise. There are serious dangers lurking behind every facet of its structure that should be exposed. Experience has taught us to BEWARE!

We gained our rich national possessions and our way of life the hard way and, if need be, we will preserve them in that same determined manner.

A significant remark once made by Grover Cleveland, which is as true today as when it was spoken, is that: "A government for the people must depend for its success on the intelligence, the morality, the justice, and the interest of the people themselves."

Accordingly, it is for all those who subscribe to the views herein stated to do everything within their power to bring this important matter to the attention of every person devoted to the preservation of our liberties, freedoms, culture and institutions; less, under the terms "World Government" would impose, they be taken from us, to be restored not again.

(*Ed. Note:* The views of this Association expressed in the above article are based largely upon the researches and writings of the distinguished American jurist, Dr. R. J. C. Dorsey, LL.B., LL.M., M. DIP., M.P.L., D.C.L.)

LEGISLATIVE PROGRAM

Views of the Association, in behalf of the interests of retired personnel, have been expressed recently during hearings before Congressional Committees on four legislative proposals. Those matters on which statements, favoring enactment were made, include the following:

S. 2559—to provide extension of officers' retirement benefits to enlisted men who were given battlefield promotions. Previously passed the Senate; passed the House; and became Public Law 473, 17 April 1950.

S. 780 and H.R. 2533—to provide for the correction of wartime advancement inequities. Several hearings were held by a Sub-committee of the House Armed Services Committee, but no report to the full Committee has yet been made.

S. 2351—relating to dual employment of and dual compensation to retired officers for employment with the Government. In presenting its statement for and in behalf of enactment of this measure, during hearings before the House Post Office and Civil Service Committee, the Association advocated an amendment increasing the top limitation from $5,000 to $7,500 or above. The Sub-committee has not reported its recommendations to the full Committee. However, we are using every proper means to keep interest in this subject active, so as to assist in bringing about the much needed improvement of the situation.

S. 1119—to correct certain inequities in the Economy Acts of 1932 and 1933. In this case also, the Sub-committee of the Senate Judiciary Committee, before which it is pending, has not yet acted.

It was noted that the Omnibus Appropriation Bill for the next fiscal year contained a provision which prohibited retired officers from making sales to any of the departments within the Department of Defense. Inasmuch as this provision broadened the already too discriminatory restrictions on the activities of regular retired officers, opportunity was sought and obtained to appear before both the House and Senate Committees for the purpose of recommending the deletion of this provision from the Appropriation Bill. The Association's recommendation, in this respect, was concurred in by the Army, Navy and Air Force. However, the bill was reported out by the House Appropriations Committee and passed the House with that objectionable feature retained. Notwithstanding, it is still hoped that the provision may be removed by the Senate.

As indicated in a separate article appearing in this issue titled "Hospitalization," a further statement was made before a Special Sub-committee of the House Armed Services Committee investigating the closing of certain service hospitals, opposing any action which might detrimentally affect medical care for retired personnel and service dependents.

In addition to those matters on which appearances have been made, the Association has requested to be heard on 28 other legislative proposals before various committees of the Senate and House. Of those, 12 are before the Senate Armed Services Committee, and 12 are before the House Armed Services Committee. The first 8 are identical or similar bills, which are before both Committees. They are: Cadet-Midshipman Service Credit for pay purposes; Terminal Leave Credit for those retired and retained; Equitable Adjustment of retired pay for certain Naval officers; Crediting of Midshipman Service for the relief of certain Naval Reserve officers; to Provide for a Review of Records to grant additional promotions by amending Section 302 of the Servicemen's Readjustment Act of 1944; to Provide for Certain Reserve Officers disability benefits provided regular officers by amending Public Law 108 (81st Congress); to Provide for Reimbursement of Fines on the correction of Naval and other records; to Provide Promotion for certain retired and recalled officers during World War II; to Provide Parity of retired pay for certain officers of World War I; and to Provide Pay for certain Reserve officers while in an inactive status.

With reference to the bill authorizing academy service to be credited for computing pay and longevity, which has been dormant since it was introduced by Chairman Vinson of the House Armed Services Committee on 9 February 1950; that measure now appears likely to receive early active consideration. In a recent statement, commenting on its merit, Chairman Vinson announced his intention to bring it before the Committee "as soon as possible."

Matters before the Senate Armed Services Committee for which there are not identical or similar bills before the House Armed Services Committee, are the following: To Credit Midshipman Service prior to 1913 for Naval Reserves; Promotion of certain Army and Air Force officers retired for physical disability; to Permit certain Reserve officers to elect to receive either active duty or retired pay. Matters before the House Armed Services Committee, in addition to those mentioned above which appeared before both Committees, are: Reciprocal hospital and dispensary treatment for retired personnel; Crediting of service for Army Quartermaster Clerks; and Survivor benefits. The subject of Survivor Benefits is covered by a separate article in this edition.

The Association has requested further to be heard by the Senate Finance Committee on the question of widow's benefits, with a view to increasing the income limits now provided by law; and before the House Veterans Affairs Committee regarding a bill to credit cadet-midshipman service in relation to Veterans Administration laws.

Aside from the legislative measures above noted, with respect to which the Association is active, there are over 50 bills that have been introduced into the Congress and are now pending before some committee that relate indirectly to retired officers. Such bills are examined carefully as they are introduced and determination made as to whether they are of possible primary interest. Those considered of relatively minor importance, however, are followed with a view to seeing that nothing is added to them that might affect adversely the interests of retired officers. In the event such an incident occurs, steps are taken promptly to see that the objectionable features are brought to the attention of the committees, and effort made to have such portions amended or removed.

Of those bills applying remotely to retired officers, the following have become law: Public Law 479 (26 April 1950), extends until 30 June 1951 the time for making application for terminal leave pay; and Public Law 501 (3 May 1950), extends for two years from date of Act the time for awarding decorations authorized by Congress for service performed between 7 December 1942 and 2 September 1945. The latter Act applies to over 1,000 persons.

Further among the items being observed carefully is action relating to implementation of, or proposed changes in, the Career Compensation Act of 1949. That subject will demand increasing attention now that the implementing orders have been issued, and as the Department of Defense obtains data concerning various effects of the Law, and takes action for the proposal of amendments thereto.

Detailed information relative to two recent Presidential Executive Orders, promulgating regulations governing physical disability retirement cases under the Career Compensation Act of 1949, is contained elsewhere in this edition.

LIVING WITH OURSELVES

I have to live with myself, and so
I would be fit for myself to know.
I want to be able, as days go by,
Always to look myself straight in the eye;
I don't want to stand in the setting sun
And hate myself for the things I've done.

VETERANS' PENSIONS

The Act of 27 May 1944 (Public Law 314, 78th Congress), provides: "That any person who is receiving pay pursuant to any provisions of law relating to the retirement of persons in the regular military or naval service, and who would be eligible to receive pension or compensation under the laws administered by the Veterans Administration if he were not receiving such retired pay, shall be entitled to receive such pension or compensation upon the filing by such person with the department by which such retired pay is paid of a waiver of so much of his retired pay and allowances as is equal in amount to such pension or compensation."

Claims for pension or compensation based on service subsequent to 15 July 1903 are reviewed by the Veterans Administration in which the veteran resides. All claims or inquiries regarding eligibility for compensation or pension should be addressed accordingly.

Upon receipt of a claim for pension or compensation from a person who is receiving retired pay, the Veterans Administration will forward forms for a formal waiver to be executed by the claimant and returned to that agency in triplicate. When the claim has been favorably acted upon, that part of the form reserved for use of the Veterans Administration will be completed to show the amount of pension or compensation to which entitled and the effective date of entitlement. The waiver will then be forwarded to the disbursing officer carrying the pay accounts of the claimant who will make the required reduction in retired pay and advise the Veterans Administration of the amount and effective date of such reduction.

A pension or compensation granted by the Veterans Administration is excluded from the payment of Federal income tax.

BOARD OF DIRECTORS MEETING

The Board of Directors held its best attended and livliest meeting at the Army & Navy Club in Washington on Wednesday, 3 May 1950.

Major General Clovis E. Byers, Deputy Director of Personnel and Administration, Army General Staff, was guest speaker at the usual luncheon preceding the transaction of business. A summary of General Byers' remarks are contained under separate heading in this issue.

Other guests at the luncheon were Captain Willis Bradley, USN, Retired, former Member of Congress from California, and Mr. Clarence H. Taylor, President, Graphic Arts Press, who personally has rendered, through his plant, excellent service in publishing the Association's Bulletin ever since it was inaugurated.

By adopted resolution, the Board expressed sincere sympathy concerning the illness which prevented Colonel Lemuel Bolles, one of the few absent members, from being present, and with similar sincerity, conveyed the hope for his complete and speedy recovery.

Admiral Hamlet, President of the Association, opened the business meeting with a brief report, outlining the current activities of his office. Following were submitted reports from the Executive Vice President-Legal Counsel and the Secretary-Treasurer.

Next on the agenda was the report of a special committee recommending amendments to the by-laws to provide full voting privileges for all members as would, at the same time, allow an adequate and appropriate system of checks and balances to maintain sound administration. Heretofore the voting privilege was withheld from Reserve members. The matter was quickly disposed of by unanimous vote in favor of the change. Thus, as indicated elsewhere in this edition, equal privileges have been extended to all members.

Further amendments to the by-laws were adopted as follows:

1. To extend eligibility to associate membership to those on the active lists of the uniformed services.

2. To re-apportion the Directorate to provide better representation among the Services from which our members are drawn; namely, Army 6; Navy 6; Air Force 6; Marine Corps 4; Coast Guard 4; Coast & Geodetic Survey 2; Public Health Service 2; nurse corps of those Services 2; and women's corps of those Services 2; one of each category to be from the Reserve components, where Reserve components exist.

3. To change the date of biennial conventions from February to November. Accordingly, it is planned that the next biennial convention will be in November 1952.

In accordance with a proposal submitted by Colonel Richard Stockton, 6th (a member of the Special Committee on Voting Privileges), the Board adopted an additional phrase to the first paragraph of the Preamble to the by-laws, as follows: "to advocate military forces adequate to the defense of our country."

The Board directed that its thanks be extended to Colonel Stockton for his carefully prepared proposal, which was one among others he submitted; some of which were adopted in substance in the other changes to the by-laws approved by the Board at this meeting.

Captain Robert Henderson, USN, Retired, a member of the Board residing in California, and Regional Representative of

the Association for the Pacific Coast, extended greetings from the members in his area, and expressed their appreciation, as well as their indorsement, of the manner in which the various programs of the Association are being carried out. He mentioned, however, that many West Coast members note with concern the fact that three salaried Staff members, with status below executive level, are also members of the Directorate. That situation, whereby policy is determined and executed by the same persons, he stated, though casting no reflection upon the incumbents, is contrary to accepted organizational procedure. Accordingly, he proposed a policy change, prohibiting any salaried member of the Staff, other than the President and Executive Vice President, from holding positions on the Board. After full discussion, that measure was adopted. Vacating office in pursuance thereof were: Lt-Col. John H. Coffman, USMC, Retired, Administrative Counsel; Lt-Comdr. George M. Bailey, USCG, Retired, Editor of the Bulletin; and Lieut. (j.g.) Donald D. Davis, USNR, Retired, Secretary-Treasurer.

Elections were then opened to fill the vacancies thus created, and the officers below named were unanimously elected: General Alexander A. Vandegrift, USMC, Retired; Vice Admiral Lloyd T. Chalker, USCG, Retired; and Captain Clarence H. Schildhauer, USNR, Retired.

The Board then adjourned and, thereupon, met as the Board of Governors to consider the present status of the Association's Scholarship Fund. Subscriptions are still being received; the amount on hand as of 30 April 1950, being $2,343.50. An undeveloped inquiry for assistance thereunder is pending. In view of the lack of requests for such aid, however, it was suggested that a meeting of the Scholarship Committee should be called for the purpose of making the fund available to persons on a wider scale than is now provided. The Chairman announced that such a meeting would be called.

The Board of Governors then adjourned, thus bringing to a close a most interesting and constructive meeting.

SUMMARY OF REMARKS DELIVERED BY MAJOR GENERAL CLOVIS E. BYERS, U.S. ARMY

Following is a summary of the remarks delivered by Major General Clovis E. Byers, Deputy Director of Personnel and Administration, Army General Staff, at the Board of Directors luncheon meeting on 3 May 1950:

General Byers explained that General Brooks, Director of Personnel in the Army, had wanted to attend, but was prevented from so doing because the newly appointed Secretary of the Army had selected that as the day for a special assembly of General Staff officers.

He stated that since a number of questions as between the Association and the Army would probably come first to his attention, he was grateful for the opportunity to make known, personally, that he would endeavor, at all times, to make himself available for careful consideration to and, if possible, a solution of those questions.

First among the major items of which he spoke was unification, and the manner in which it is being carried out. An officer assigned to duty in the Pacific early in the last war and continuing for six years, General Byers made reference to his experiences there. He pointed out that the small Army which started could not have survived had it not been for the Navy, and it certainly could not have stayed where it was without Air protection. The job was finished due, primarily, to the fullest measure of co-ordinated effort and helpfulness exerted by all the three Services working as a team. Until the end there was no question in that area about (1) the need for unification; (2) the value of unification; and (3) the effectiveness of it. Results achieved later, through unification, in the work now being done in the Pentagon, is most gratifying to all concerned. The Career Compensation Act of 1949, which Admiral Hamlet mentioned was one of the big things your Association backed strongly, was attained and attained only, because of the complete and thorough understanding as found among those representing the Army, Navy and Air Force. It is good fortune that the three deputies who are carrying on in that line have been good friends for a long time, and work together smoothly on related problems.

Next in order of discussion was a brief account of the Career Compensation Act of 1949. That Act, stated General Byers, has met with very popular response, and its implementation, as to the manner it affects retired officers, is being as intelligently and thoughtfully carried out as is possible. Reference was made to the President's recent Executive Order which places in all the three Services responsibility for caring for all those heretofore retired and, in addition, all those who will be retired in the future. Consequently, in the hands of the three Services now rests the fate of all retired personnel.

Regarding the Executive Order containing provision with respect to hospitalization of physically retired personnel suffering with chronic disorders, General Byers cited the case of a retired Army colonel who, long before that directive was issued, had been assigned to treatment in a Veterans Administration hospital, where he is well and happily cared for. With that example in mind, indicating what has happened prior to that order, belief was expressed that no material change will be noticed by any who may require that type of medical treatment in the future.

As to adjustments in pay for those physically retired prior to the effective date of the Career Compensation Act of 1949 (1 October 1949), it was stated that the notices were prepared, and that with the help of many brought in from the outside to assist, it is hoped that all those so retired will soon have the information on which to base a decision as to which of the various choices available they desire to accept. Also that those entitled to make elections should do so as expeditiously as possible because, financially, it will be gainful to many. Everything is being done along that line that may be done.

Speaking of the high regard in the Army for the opinions of retired personnel, General Byers alluded, in that connection, to the position taken by General Collins. Ever since General Collins became Chief of Staff, General Byers stated, he has recognized the need for the evaluated advice and suggestions from that group. Not long ago when suggestions were sought from that source, many practical ones were received. General Byers said he mentioned that point particularly, because so often those who have been retired gain the feeling that those active have forgotten the help they gave in the days of yore and are disregarding valuable assistance that might be available now. Such an attitude, he assured, is not present among those who are leaders today.

Another interesting element brought out was the matter of survivor benefits. All three Services are in mutual agreement on such a plan, and hold it prominently on the priority list of important personnel legislation towards which they are working in Congress. General Byers indicated that, as far as he could tell, there is reasonable expection for the success of that measure.

One of the cardinal points in that connection is that, for the present, every effort is being made to make the line of demarkation between the survivor benefit program and the retirement provisions as clearly defined and as wide as is humanly possible. That action, explained General Byers, is to preserve fairness to those who entered upon service careers with the understanding they could retire under the existing non-contributory system. The Services favor contributions for survivor benefits. Accordingly, the plan that has been

undertaken is, for those on the active lists an entity, and for those about to be retired, a new problem. Contributions thereto would be made on a purely fixed amount for term insurance with restricted beneficiaries until date of retirement. Upon retirement a person would have to determine in what manner available he would wish to enter the survivorship plan proposed for retired personnel. One means contemplated is the election to receive a reduced amount of retirement pay in consideration of an annuity, payable after the principal's death, to his widow for life. The amount of such annuity would be in an amount specified by the retired member making the election, except that it shall not exceed 50% of his retired pay.

In conclusion, General Byers touched briefly upon the international situation saying, in effect, that the eyes of the Services are focused hopefully toward an amicable solution of existing differences through diplomacy. He complimented the Association on the work being done, and urged it to continue active in support of a strong national defense—the best possible insurance against war.

NATIONAL DEFENSE WEEK

Having as its objective—to stimulate greater public interest in the Reserve components of our Armed Forces—National Defense Week, which is sponsored annually by the Reserve Officers Association, was again carried out this year during the period 13-20 May. Its nationwide activities were brought to a fitting climax on Armed Forces Day.

Commenting upon their program, our President, Admiral Hamlet, expressed the view that the observance of National Defense Week is indeed a highly worthwhile venture, and commended the Reserve Officers Association on its efforts in bringing to public attention the need for strong and effective Reserve Forces.

It is a recognized fact that, next to forces in being, adequate Reserves comprise the most important components of the Nation's defense. Since prescribed budgetary limitations prevent all the forces desired in being, it is essential that our Reserve structure be maintained at the highest possible level of strength and efficiency.

With that as its aim, we congratulate the Reserve Officers Association most heartily on the success of its recent National Defense Week which, unquestionably, can now be termed a mission "Well Done."

PREAMBLE TO THE BY-LAWS OF THE ASSOCIATION

To inculcate and stimulate love of our Country and the flag; to defend the honor, integrity and supremacy of our National Government and the Constitution of the United States; and to advocate military forces adequate to the defense of our Country;

To foster fraternal relations between all branches of the various services from which our members are drawn;

To aid the retired personnel of the various services from which our members are drawn in every proper and legitimate manner; and

To present their rights and interests when service matters are under consideration, we unite to form the RETIRED OFFICERS ASSOCIATION.

OBITUARIES

We pause in deep reverence and honor to the memory of the following of our members for whom taps have been sounded since 1 February, last. May their brave souls forever rest in peace—

Maj. R. G. Anderson, USMC, Ret.
LtCol. L. C. Arndt, Res, Ret.
LtComdr. J. F. Atkinson, USN, Ret.
Maj. D. T. Babcock, Res, Ret
Col. W. S. Barlow, USA, Ret.
Comdr. O. Bartlett, USN, Ret.
Lt. H. S. Bates, USCG, Ret.
Col. T. A. Baumeister, USA, Ret.
Comdr. G. J. Blessing, USN, Ret.
Col. F. C. Boggs, USA, Ret.
Col. B. A. Brackenbury, USA, Ret.
Capt. J. M. Brown (MC) USN, Ret.
MajGen. B. B. Buck, USA, Ret.
LtCol. W. J. Buttgenbach, USA, Ret.
Comdr. H. B. Campbell, USC&GS
ChTorp. W. J. Castle, USN, Ret.
2dLt. F. G. Coffield, USA, Ret.
Comdr. E. H. Connor, USN, Ret.
Cwo. B. E. Conquest, USMC, Ret.
LtComdr. E. T. Coon, USN, Ret.
LtComdr. S. B. Cooper, USNR, Ret.
Maj. P. Deshon, USA, Ret.
LtComdr. S. Dillon, USNR, Ret.
Comdr. W. R. Dolan, USN, Ret.
Comdr. W. A. Edgar, USN, Ret.
LtComdr. C. E. Farrey, USNR, Ret.
ChBosn. W. J. Fortin, Sr., USN, Ret.
LtCol. M. E. Fuller, USMC, Ret.
ChCarp. A. J. B. Graham, USN, Ret.
VAdm. J. W. Greenslade, USN, Ret.
Col. S. H. Guthrie, USA, Ret.
RAdm. A. S. Halstead, USN, Ret.
Capt. J. A. Hamilton, USA, Ret.
1stLt. E. G. Harclerode, AUS, Ret.
ChMach. K. H. Harrell, USNR, Ret.
Maj. J. Herring, USA, Ret.
ChGun. L. G. Hughes, USN, Ret.
Col. R. C. Humber, USA, Ret.
LtCol. S. R. Ingram, USA, Ret.
Maj. E. Q. Jackson, Hon.Res, Ret.
Col. O. Jackson, USA, Ret.
Maj. H. A. Johnson, USMC, Ret.
Lt(jg). W. Kamer, USN, Ret.
Comdr. G. W. Kenyon, USN, Ret.
Capt. L. F. Kimball, USN, Ret.
Col. R. W. Kingman, USA, Ret.
Col. A. M. Krech, Cav.Res, Ret.
2dLt. N. Lein, USA, Ret.
Lt.Col. M. T. Legg, USA, Ret.
LtComdr. H. J. Lord, (NC), USN, Ret.
Lt. J. A. Maloney, USN, Ret.
Capt. W. R. McIver, AFUS, Ret.
Col. G. H. McMaster, USA, Ret.
Col. E. P. Orton, USA, Ret.
Col. L. S. O'Toole, USA, Ret.
Lt. H. J. Palmer, USN, Ret.
LtCol. C. H. Pangburn, AFUS, Ret.
MajGen. E. D. Peek, USA, Ret.
Comdr. J. H. Pennington, USN, Ret.
Capt. W. R. Perry, USMC, Ret.
BrigGen. J. A. Porter, USA, Ret.
Col. J. Potts, USMC, Ret.
BrigGen. H. C. Price, USA, Ret.
LtComdr. A. E. Raue, USN, Ret.
Capt. P. E. Robottom, USN, Ret.
LtComdr. H. L. Rodman, USNR, Ret.
Lt(jg). C. R. Rohweder, USN, Ret.
Capt. C. H. Sanders, USN, Ret.
Capt. C. C. Slayton, USN, Ret.
Maj. J. O. Smithley, USA, Ret.
Maj. L. Southard, AUS, Ret.
Col. J. V. Stark, USA, Ret.
Comdr. C. W. Stevenson, USN, Ret.
Bosn. E. P. Stohan, USN, Ret.
Col. W. A. Sullivan, AUS, Ret.
Col. J. M. Tildsley, USMC, Ret.
Col. C. A. Valverde, USA, Ret.
Maj. E. D. VanTassel, Jr., AUS, Ret.
Mach. M. Vogt, USN, Ret.
Col. H. L. Walthall, USA, Ret.
Maj. R. L. Ware, USA, Ret.
BrigGen. R. P. Williams, USMC, Ret.
Lt. F. C. Wisker, USN, Ret.
Maj. J. Wood, AFUS, Ret.
ChMach. J. W. Wood, USN, Ret.

To RETIRED OFFICERS ASSOCIATION,
1616 Eye St., N. W., Washington 6, D. C.

Date_____

Gentlemen:—

You may enroll me as a member of the Retired Officers Association. Inclosed is check for $5.00.

Entrance fee	$1.00	*Fifty cents of which is for subscription to Association Bulletin.*
Annual dues	4.00	
	$5.00	

Name _____
(Please Print)

Rank and Service _____

Mailing Address _____

City _____ Zone____ State_____

COMMENTS FROM MEMBERS

ChGun. J.W.M., USN., Ret.—Please accept my thanks for your quick and kind attention to my request for the certified form. In less than two weeks the Department had sent me everything needed. It is certainly nice to know we old retired fellows have such able and helpful representatives in Washington.

Capt. J.L.F., AUS, Ret.—I heartily enjoy the Bulletin and am indeed gratified to be a member of such a worthwhile organization.

Maj. H.H.B., USMCR, Ret.—Thank you very much for your prompt attention to my claim for dividends not paid in connection with my insurance policies with VA. This is the second time I have contacted the Association in matters of this sort, and in both instances you have been prompt and efficient in producing results. The Association is doing a real service, not only to its members, but also to the country at large.

Lt. Comdr. B.D.S., USN, Ret.—This is to express my gratitude for your almost immediate response to my telegram, and for the action you took concerning my problem. I am happy to report that the situation has been completely and satisfactorily settled.

WO (jg), W.R.R., USA, Ret.—Although my case was ruled against, I feel deep appreciation for the interest the Association showed in it. For this example of diligence, it is my opinion that in the Association retired officers have representation in which they can depend.

Lieut. C.C.B., USN, Ret.—I am the youngest (73) of 33 chief warrant and warrant officers who served throughout the Spanish-American War and recalled to active duty in World War I, with rank of lieutenant. After that returned to retired list with permanent rank of chief boatswain. In 1930 Congress gave officers of my status the rank of lieutenant, but not the pay. The Career Compensation Act of 1949 now gives us the pay of lieutenant from 1 October 1949. I am satisfied we would not have received the increase had it not been for the efforts of the Retired Officers Association.

The mother of a retired officer writes—I want to thank you for your help in the matter of my claim for my son's last pay check. In a few days I was notified that the claim would be paid, and a short time later the check was sent.

NOTES TO MEMBERS

Regularly scheduled publication of the Bulletin is as follows: 1st Quarter, 15 December; 2nd Quarter, 15 March; 3rd Quarter, 15 June; 4th Quarter, 15 September.

During the past several months our membership development has continued at a gratifying pace. Hearty greetings are extended to all those who joined during the period.

This progressive expansion is, we believe, attributable to the fact that retired officers are becoming more familiar with the purposes and objectives of the Retired Officers Association, as well as with the manner in which its activities are conducted. This is considered a healthy sign, for when there is an awareness of the need for effective representation on the part of retired officers themselves, we are then well along toward the establishment of a solid, sound and stable organization that can and will, through united effort, provide adequate and efficient representation of those important factors bearing upon the interests of retired status and those whose welfare is dependent upon a type of service such as we maintain, dedicated to action in promoting and safeguarding properly those interests which are so vital to retired officers and their dependents.

Of course, our every effort is being stressed on creating a membership composed of the greatest possible percentage of the entire retired lists. For only in that manner can losses due to normal attrition be absorbed and a steady growth maintained.

Certainly retired officers appreciate the fact that the strength of the Association lies principally in the size of its membership. The greater the membership, the greater the financial support, and with the funds derived from the payment of small individual dues, an efficient and capable staff is sustained to fulfill the Association's mission and, thus, give assurance that those problems of the future will be met successfully.

Members are urged to keep us advised of any change in their mailing address. In reporting such changes it would be appreciated if both old and new addresses will be indicated, so as to insure a proper checking of the records.

Attractive lapel rosettes, signifying membership in the Association are still available to members desiring them at the nominal cost of 50c each.

RETIRED OFFICERS ASSOCIATION BULLETIN

1616 Eye Street, N. W.
Washington 6, D. C.

Entered as second class matter, May 2, 1945, at the Post Office at Washington, D. C., under the Act of March 3, 1879.